UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS

IN RE PHARMACEUTICAL INDUSTRY AVERAGE WHOLESALE PRICE LITIGATION

MDL No. 1456

CIVIL ACTION: 01-CV-12257-PBS

Judge Patti B. Saris

<u>DECLARATION OF JOHN BELL, TRUSTEE OF CARPENTERS AND MILLWRIGHTS OF HOUSTON AND VICINITY WELFARE TRUST FUND</u>

I, John Bell, under the penalty of perjury, hereby declare as follows:

- 1. I am Trustee of the Carpenters and Millwrights of Houston and Vicinity Welfare Trust Fund ("CMHV"). I have full knowledge of the matters stated herein, and could and would testify hereto if necessary.
- 2. CMHV is an "employee welfare benefit plan" and "employee benefit plan" maintained pursuant to section 302(c)(5) of the Labor Management Relations Act ("LMRA"), 29 U.S.C. 186(c)(5), and as defined by section 1002(1) and (3) of the Employee Retirement Income Security Act ("ERISA"), 29 U.S.C. 1001, et seq.
- 3. The office from which CMHV pays medical benefits, including benefits for prescription drugs, is the office of Zenith Administrators ("Zenith") located at 9555 W. Sam Houston Parkway South, Suite 400, Houston Texas. Under contract with CMHV Zenith is the Third Party Administrator for CMHV and administers the day-to-day operations of the fund.
- 4. Pursuant to the Agreement and Declaration of Trust of the Houston District Council of Carpenters Health & Welfare Fund, dated July 1, 1979, under which it

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was created, CMHV, provides comprehensive health care benefits to approximately 800 current participants who are employed under various collective bargaining agreements ("employees"), and their dependants, as well as retirees. CMHV's participants and beneficiaries are generally employed as carpenters in the jurisdiction of their home local union, but due to the nature of this industry, they can travel to other jurisdictions located throughout the United States and made purchases of defendants' drugs in many other states, including, but not limited to, the State of Texas.

- CMHV's health and medical benefits are provided a written benefit plan 5. The Plan generally provides prescription drug coverage under its prescription benefit program.
- 6. As of March 1, 1996, CMHV contracted with Union Labor Life Insurance Company ("Union Labor Life") for managed care pharmacy services who in turn assigned the management of pharmacy services of CMHV insureds to Medco, a pharmacy benefit manager, to administer CMHV's prescription drug plan. Under the terms of the contract, CMHV pays for all network brand name prescription drug purchases made at retail pharmacies by its members at AWP less 13% percent and all network generic purchases made by its members at AWP less 53% percent. CMHV pays for all network brand name prescription drug purchases made by mail order at AWP less 17% percent for name brand prescriptions and the Maximum Allowable Cost (MAC) or AWP minus 45% for generic prescriptions.
- 7. During the Class Period, CMHV paid for certain pharmaceuticals, based on AWP, that were manufactured by each of the Defendants as set forth at Appendix B of the AMCC.

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8. CMHV has been actively involved in the prosecution of this litigation and has enlisted the assistance of skilled and experienced class action counsel. CMHV's interests are not antagonistic to the interests of the members of the proposed Class.

9. CMHV does not have the ability or incentive to prosecute a case of this magnitude individually against the well-financed defendants in this litigation and therefore believes that a class is a superior way in which to redress the wrongs alleged as to CMHV and other members of the class it seeks to represent.

Signed under the pains and penalties of perjury this 2nd day of September 2004.

John Bell

Trustee of Carpenters and of Houston and Vicinity

Welfare Trust Fund